

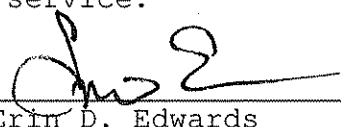
IN THE UNITED STATES DISTRICT COURT
DISTRICT OF DELAWARE

PREFERRED TAX SERVICE, INC., :
 : Civil Action No.
Plaintiff, : 1:05-CV-00872-SLR
 :
v. :
 :
THE TAX AUTHORITY, INC., et al., :
 :
Defendants. :

MOTION FOR SANCTIONS PURSUANT TO RULE 11, F.R.C.P., OF
DEFENDANTS, THE TAX AUTHORITY, INC. AND KENNETH M. LEESE

For the reasons set forth in the attached Brief, which is incorporated by reference, defendants, The Tax Authority, Inc. and Kenneth M. Leese ("Defendants"), request that this Court impose sanctions against plaintiff, Preferred Tax Service, Inc. ("PTS"), and its counsel in an amount adequate to deter future violations of Rule 11, F.R.C.P., and that Defendants be permitted to present an Affidavit of Attorneys' Fees to this Court, and that such amounts be awarded to them as an appropriate sanction.

Counsel certifies that this Motion was served upon counsel for PTS on January 18, 2006, and that PTS did not withdraw its Complaint within 21 days after service.



Erin D. Edwards
Delaware Bar I.D. 4392
Young Conaway Stargatt &
Taylor, LLP
The Brandywine Building
1000 West Street, 17th Floor
P.O. Box 391
Wilmington, DE 19899-0391
(302) 571-6552
(302) 576-3471 (Fax)
Attorney for Defendants,
The Tax Authority and
Kenneth M. Leese

OF COUNSEL:

Howard A. Rosenthal
Patrick J. Doran
Kevin C. Rakowski
Pelino & Lentz, P.C.
One Liberty Place
1650 Market Street
Thirty-Second Floor
Philadelphia, PA 19103-7393
(215) 665-1540
(215) 665-1536 (Fax)

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